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Mexico

Poultry and Products

Investigation on Bilateral Poultry Safeguards on Chicken Leg Quarters

2002

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Report Highlights:

On November 21, 2002, the Secretariat of Economy (SE) published a resolution announcing the start of an investigation of bilateral safeguard measures on U.S. imported chicken leg quarters. There is a 30-day working period in which interested parties may provide feedback to the SE announcement.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Mexico [MX1], [MX]

Introduction: This report summarizes a resolution published in Mexico's "*Diario Oficial*" (Federal Register) on November 21, 2002.

Disclaimer: This summary is based on a *cursory* review of the subject announcement and therefore should not, under any circumstances, be viewed as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the complete regulation or announcement as published in Spanish, the latter shall prevail.

FAS/Mexico's Executive Summary: The Secretariat Economy (SE) published on November 22, 2002, in the *Diario Oficial* (Federal Register), the Resolution accepting the request of the Mexican Poultry Association, and beginning the investigation of bilateral safeguard measures on imported U.S. chicken leg quarters, classified under tariffs 0207.13.99 and 0207.14.99. According to the Resolution, the time frame for the investigation will be from 1997 to 2001, along with projections for 2002 and 2003.

Based on NAFTA article 803, paragraph I, article 53 of the Mexican Trade Law, and article 164 of its Regulations, there is a 30 day working period (beginning on November 21, 2002) so that interested parties (importers, exporters, etc.) present to SE an official feedback form of investigation, provided at the SE offices. Also, according to NAFTA there will be a public hearing on July 14, 2003. This announcement indicates that a provisional imposition of a safeguard is still being analyzed. This resolution will go into effect on November 22, 2002.

Title: Resolution by which SE accepts from the interested party and declares the starting of the investigation of bilateral safeguard measures on imported U.S. chicken leg quarters, classified under tariffs 0207.13.99 and 0207.14.99 of the General Import and Export Tax Tariff Law, independently of the country of origin.

Important Dates

- 1. Publication Date:** November 21, 2002
- 2. Effective Date:** November 22, 2002

Products Affected: U.S. chicken leg quarters

Agency in Charge: Secretariat of Economy

Additional Information: The Mexican Poultry Producers Association (UNA) presented the safeguard request to SE on September 10, 2002, and based on NAFTA article 801, requested that a bilateral safeguard of 98.8 percent be applied to tariff rates applicable to imports of chicken leg quarters from the United States. This safeguard would be in place until December 31, 2007. UNA indicated that such a level of protection is required to enable the poultry industry to further develop and better compete with imports of U.S. chicken.

The SE indicates that as a result of the analysis done along with this resolution, there is enough evidence to presume that the lifting of current poultry tariffs, without the imposition of safeguards, will result in a significant increase in poultry imports that could cause serious damage to domestic production levels. Consequently, SE considers it necessary to initiate an investigation to evaluate the imposition of bilateral safeguard measures for imported chicken leg quarters.

Address to obtain the official feedback form:

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Internet Connections

FAS Mexico Web Site: We are available at <http://www.atomexico.gob.mx> or visit our headquarter's home page at <http://www.fas.usda.gov> for a complete selection of FAS' worldwide agricultural reporting.

Useful Mexican Web Sites: Mexico's equivalent of the Department of Agriculture (SAGARPA) can be found at www.sagar.gob.mx and Mexico's equivalent of the Department of Commerce (SE) can be found at www.se.gob.mx. These web sites are mentioned for the readers' convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with the information contained on the mentioned sites.